

**MINUTES OF THE GENERAL MEETING  
OF THE BIGFORK COUNTY  
WATER AND SEWER DISTRICT**

The general meeting of the Bigfork County Water and Sewer District was held on March 16, 2016 at the District office.

**ATTENDEES:**

*Directors: Bob Keenan, Tom Cahill, Seth Price, Duke Phelps and Gene Helberg*

*District Employees: Julie Spencer, Andy Loudermilk and Vickie Hemphill*

*Engineering: Jeff Cicon from Morrison Maierle*

*Other Attendees: Robert Millspaugh from Flathead Lake Brewery*

*Jonathon Mahrt – Auditor from Denning & Downey Accounting*

*Jerry Bygren and John Hansen from Flathead Bank*

**READ AND APPROVE MINUTES:**

President Keenan opened the meeting at 7:00 p.m. The minutes of the March Board Meeting were reviewed for approval. Cahill made a motion to approve, Helberg seconded and President Keenan called for discussion. A distinction was made between service lines and mains. Keenan spoke to the Department of Transportation and was told the highway project through Icebox Canyon is approximately 5 years out. Cicon had stated the bottled water company had 20 years to put the water right to beneficial use, but it might be 10.

A vote was called and it was unanimously

*RESOLVED*, That the minutes for the March 2016 Board Meeting be approved as submitted.

**AGENDA - ADDITIONS OR CHANGES**

The following items were moved just after Public Comment to allow visitors to finish earlier.

- District Audit Exit Conference – moved from New Business
- Banking Update: Repurchase Agreements – moved from Financial Committee Report

**CONSENT AGENDA**

President Keenan called for any discussion regarding the Consent Agenda. Cahill inquired about status of the SCADA project and Andy reported they are cleaning up any bugs in the system. Keenan called for a motion to approve; Helberg moved, Cahill seconded and it was unanimously

*RESOLVED*, That all items on the Consent Agenda for the April 2016 meeting be approved.

## **PUBLIC COMMENT**

No public Comment

- *District Audit Exit Conference* – Jonathon Mahrt from Denning and Downey addressed the Board to discuss the Fiscal Year 2015 Audit Report. Questions from Directors were addressed. There were no findings in this audit as the new Cash Receipting module addressed the issues with separation of duties in a two-person office, the first year to achieve this. President Keenan called for a motion to approve the Audit Report; Helberg moved, Price seconded and it was unanimously

*RESOLVED*, That the Financial Audit for Fiscal Year 2015 be approved.

- *Banking Update: Repurchase Agreements* – Jerry Bygren and John Hansen came to the meeting to explain the repurchase agreement used to secure the District funds on deposit at Flathead Bank in excess of FDIC insured limits. They also discussed First Interstate's new ownership of the bank and the conversion. There was a lengthy discussion about the way the repurchase agreements work and how they protect the assets since the FDIC cannot insure more than \$250,000 if a financial crisis event were to occur. There was no action taken.

## **OLD BUSINESS**

*Engineering update – Jeff Cicon*

The second public meeting was held April 12, 2016 and three board members attended. The power point presentation was commended for illustrating the current and future needs of the District. Printouts were distributed to those who could not attend. Cicon presented the following four resolutions for approval.

- RESOLUTION NO. 75 - Authorization to apply for TSEP funds and provide matching funds through loan or grant. Cahill made a motion to approve, Helberg seconded and it was unanimously

*RESOLVED*, That RESOLUTION NO. 75 be approved.

- RESOLUTION NO. 76- Authorization to apply for Department of Natural Resources and Conservation's Renewable Resource Grant and Loan Program (DNRC-RRGL) funds and provide matching funds through loan or grant. Cahill made a motion to approve, Helberg seconded and it was unanimously

*RESOLVED*, That RESOLUTION NO. 76 be approved.

- RESOLUTION NO. 77- Authorization for Morrison and Maierle to provide a detailed Environmental Report detailing any environmental impact of the projects. Cicon added that there were no findings of environmental impact. Cahill made a motion to approve, Helberg seconded and it was unanimously

*RESOLVED*, That RESOLUTION NO. 77 be approved.

- RESOLUTION NO. 78- Intention to accept a detailed Water Preliminary Engineering Report (PER) prepared by Morrison and Maierle, Inc. Helberg made a motion to approve, Cahill seconded and it was unanimously

*RESOLVED*, That RESOLUTION NO. 78 be approved.

- *Water Transmission Line and Access Easement* – Cicon stated that one of the requirements of the original contract for the new tank site is that it will need to be primarily underground. The DEQ will not allow a tank to be fully buried without a deviation. At least 2 feet needs to be exposed. The terrain and tank design will affect the placement. He continues work on the easement and access road with the Pierces. Andy said Jim Bob Pierce is concerned about the appearance of the access road.
- *Sludge Alternative Analysis* – Cicon has completed a draft analysis for review. He expects to finalize the analysis in approximately two weeks.
- *Sludge Digester Diffuser Record Drawings* – Montana DEQ needs certification of record drawings from a professional engineer. The tank is being emptied for Cicon to check and certify.
- *Flathead Lake Brewery Pretreatment*– Rob Millsbaugh updated the Board regarding the pretreatment situation. No big changes, however they are trying to raise the pH of their waste stream. There are several components of the pretreatment plant that are not working, and the plan is to replace these items and get the system started again in May. He would still like to meet with the Pretreatment Committee before the next meeting if possible to present the Brewery's ideas of solutions that could serve both entities. The Board said that Andy should be at this meeting as well. Cicon said he would be available for a conference call if needed for technical input. All agreed it was time to get the issue figured out.

*1996 Jimmy* – The vehicle has not sold. The Board directed Julie to run the ad for 2 weeks at \$2500 and if not sold consider donating to the high school depending on the legality of a public entity donation.

## **NEW BUSINESS**

District Audit Exit Interview moved to Public Comment. No further new business.

## **COMMITTEE REPORTS**

*Annexation, Main Extensions & Construction* ..... *Helberg & Cahill*

- Harbor Village Subdivision – no updates

*District Investments* ..... *Price & Phelps*

- This was moved to Public Comment on the meeting agenda.

*Employee Insurance Compensation & Certification*..... *Helberg & Keenan*

- Updated Employee Handbook Approval with Job Descriptions – no updates

*Pretreatment Regulations* ..... *Cahill & Price*

- Flathead Lake Brewery – no committee meeting.

*Rate Structure / Budget* ..... *Helberg & Phelps*

- Re-Use Rates – Phelps met with Julie and, after reviewing the details of cost calculations, suggested changing the depreciation of the pumps from 20 years to 10 years. These pumps get a great deal of use and will likely need to be replaced sooner than 20 years. This increases the monthly depreciation figure. The electricity is calculated and added as well as a nominal

maintenance fee. Details of the billing numbers were discussed and Millspaugh asked for documentation from Julie. President Keenan called for a motion to approve. Cahill moved for approval, Helberg seconded and it was unanimously

RESOLVED, That the re-use rates be approved.

- Water & Sewer Rates – The rates will be discussed at the May meeting if the committee meets prior.
- Asset Replacement Valuations – No updates

**Rules & Regulations** ..... *Keenan & Price*

- District Ownership of Mains – No updates

**Farmland**..... *Helberg & Loudermilk*

- Farmer Selection – Miles Passmore with Missing Ranch, LLC has been contracted to farm for the District through the end of December 2016. The farmer was selected based on recommendation by Broston.

## COMMUNICATIONS

- No communications were included the April Board packet.

President Keenan called for a motion to adjourn the meeting. Cahill motioned, Price seconded and it was unanimously

RESOLVED that the public meeting be adjourned at 8:26 p.m.

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Secretary, Vickie D. Hemphill

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President, Robert Keenan